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8 APR 1968

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Dear Bob:

Your letter concerning the intelligence estimates on Soviet ground forces raises some very interesting points about their reliability, consistency and ranges of uncertainty. I agree that we need a thorough study to evaluate all available information concerning the aspects of Soviet ground forces specified in your letter, and we are proceeding as follows:

1. A panel of CIA and DIA personnel has been established. The participation of one or two qualified people from your staff as observers would aid us in interpreting your requirements for information and in obtaining US cost data for comparative purposes. They would also help you in evaluating the results of the study.
2. This panel is responsible for reviewing all pertinent evidence and preparing a thorough and objective study on manpower, equipment, costs, and the qualitative aspects of Soviet ground forces. I plan to ask the Board of National Estimates to review this study, and of course General Carroll and I will review it.
3. Wherever possible, the ranges of uncertainty will be treated explicitly according to the definitiveness and the reliability of the evidence.
4. A preliminary report will be forwarded to you in August, and at this point we will decide on the type of long run program that will best serve to improve our estimates in this field.

I would like to comment on some of the substantive statements in your letter. In evaluating Soviet military forces there is the danger of inferring that the Soviets have the same doctrine on

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organization and employment of forces as the US. Even in 1960, the combat tasks envisioned by the US and the USSR for their ground divisions resulted in different organizational and deployment postures; recent changes appear to have increased these differences. For example, Soviet divisional strengths are far below those of either the US pentomic or ROAD divisions. It is now estimated that there are about half as many men in a typical combat ready Soviet tank division as there are in a typical US armored division. Other significant differences exist in procurement policy, logistic support, and mobilization concepts.

In reply to your request for information on how the Soviets are allocating their military expenditures, I have attached to this letter a recent CIA study prepared in support of NIE 11-4-63 which is currently in process. This study includes estimates of expenditures by mission and category in terms which are as comparable to those of the US as Soviet organization and data limitations permit. There is also an extensive section on the similarities and differences in the scope of US accounts and those used in the study. The study covers the period 1953 through 1967; however, the estimates for the future have a very wide range of uncertainty. The Agency has made similar studies annually for more than five years, and although the full details of such studies have not been included in National Intelligence Estimates, they have been used to assess the economic feasibility of estimated Soviet military programs. It was the long history of experience in this field which permitted the Agency to contribute the "costing" aspect of the work of the CIA-DIA Joint Analysis Group mentioned in your letter. Furthermore, another Estimate (NIE 11-5-63), recently completed, examines the problems facing the Soviet economy including the broader aspects of military and space programs.

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Sincerely,

(Signed) JOHN A. McCONE

John A. McCone

Director of Central Intelligence

Honorable Robert S. McNamara
Secretary of Defense
Washington 25, D. C.

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25 March 1963

MEMORANDUM FOR: THE EXECUTIVE DIRECTOR

THROUGH: Deputy Director (Intelligence)
THROUGH: Assistant Director, Research and Reports
THROUGH: Chief, Economic Research, ORR

SUBJECT: Transmittal of Proposed DCI Reply to Secretary
McNamara's Letter

REFERENCE: Action Memorandum No. 182, 19 February 1963 from the
Executive Director to the DD/I; concerning Letter
from Secretary of Defense to DCI, Request for Study
of Soviet Ground Forces, 13 February 1963

1. The attached is for the Director's signature and is in reply to the referenced letter.

2. Since 12 March negotiations have been underway to merge the study requested of the DCI with a similar study being prepared in DIA, both requested by the Secretary of Defense. Although my conversations with the working level in DIA indicated that the proposal to merge would be accepted, General Carroll decided on 21 March that he did not wish to do so. The reason given was that DIA had other requirements for the study and that a request with McNamara's name on it would facilitate its completion. CIA was invited to participate in the DIA study.

3. From all I have been able to learn, the DIA study will include little or no additional research and will likely result in little more than a reaffirmation of the results which McNamara questioned originally. It is my recommendation that CIA not associate itself with the DIA study.

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4. On 22 March, Mr. Stockfish, a member of McNamara's staff, visited CIA to discuss some aspects of the study requested of CIA. During the discussions, General Carroll's decision was raised. It was Mr. Stockfish's opinion that Mr. McNamara did not want two parallel studies. Stockfish said he would recommend that McNamara write a memorandum to DIA through the JCS relieving DIA of its obligation to meet the 15 May deadline so that DIA might concentrate on the joint CIA/DIA study with a preliminary report due in August.

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Chief, Military-Economic Division, ORR

Attachment

a/s

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